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**Building The
Wireless Future**

June 28, 1996

CTIA

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JUN 28 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Randall S. Coleman
Vice President for
Regulatory Policy and Law

Re: Ex Parte Presentation
CC Docket No. 95-185 (Interconnection Between Local
Exchange Carriers and Commercial Mobile Radio
Service Providers) and **CC Docket No. 96-98**
(Implementation of the Local Competition Provisions in
the Telecommunications Act of 1996)

Dear Mr. Caton:

On Friday, June 28, 1996, the original of the attached letter of W. Scott Schelle was delivered to FCC Chairman Reed E. Hundt. Also on Friday, June 28, 1996, a copy of the attached letter was delivered to Commissioner James H. Quello, Commissioner Susan Ness, Commissioner Rachelle B. Chong and the Commission employees listed below:

Rosalind Allen
Lauren Belvin
James Casserly
James Coltharp
Joseph Farrell
Pamela Greer
Regina Keeney
Blair Levin
Jay Markley
Richard Metzger
Robert Pepper
David Siddall
Peter Tenhula
Jennifer Warren

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Donald Gips
Michael Hamra
Linda Kinney
Jane Mago
Pamela Megna
John Nakahata
Gregory Rosston
D'Wana Speight
Michael Wack
Christopher Wright

Pursuant to Section 1.1206 of the Commission's Rules, an original and one copy of this letter and the attachment are being filed with your office. If you have any questions concerning this submission, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Randall S. Coleman", with a stylized flourish at the end.

Randall S. Coleman

Attachment



**American Personal
Communications**

a Sprint Telecommunications Venture affiliate

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June 27, 1996

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, NW, Suite 814
Washington, DC 20554-0001

Re: CC Docket Nos. 95-185 and 96-98

Dear Chairman Hundt:

Yesterday's Washington Post (June 26, 1996) Business Section article entitled **Barry Vetoes Measure on Phone Competition** is exactly why my company and other wireless licensees are adamant that the Commission retain its authority over Commercial Mobile Radio Service -- the very authority Congress granted to the FCC in 1993, and maintained in the Telecommunications Act of 1996. To relinquish authority over CMRS, particularly regarding interconnection, will frustrate major near-term savings to wireless customers and the development of competition in the local market.

The article correctly states that the veto is "a major . . . victory for Bell Atlantic" and it "means more delay and certainly more regulatory hurdles, for companies wanting a piece of Bell Atlantic's local telephone monopoly." Mayor Barry reportedly vetoed the legislation "because it does not give the (DC) Public Service Commission enough power to regulate the business activities of Bell Atlantic's rivals." According to the article, the Mayor will introduce new legislation that would "require all phone companies entering the District, not just Bell Atlantic, to face heavier oversight by the Public Service Commission." Mayor Barry is reported to have stated that "I support price regulation for new entrants."

This veto and these statements are graphic examples of why the FCC must not accede to the wishes of Bell Atlantic and other LECs to allow jurisdiction over wireless interconnection with LECs to fall to the DC Public Service Commission and other state regulatory bodies.

As an FCC licensee required to serve Washington, Maryland and Virginia, I am particularly concerned about how the action of just one of those regulators

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could affect consumers in all three jurisdictions. The license we bought from the FCC is an interstate license and, as such, it is quite different from the intrastate service of the wireline carriers. To attempt to put interstate spectrum service policy in the same body as intrastate service policy is to court disaster for our mutual goals of a vibrant, growing wireless industry, and of local telecommunications competition.

Mayor Barry's veto, plus the actions of Connecticut and New York, as noted below, all provide ample evidence that Congress was right when it gave to you the authority under OBRA to exercise jurisdiction over CMRS licensees. Now, in reaction to the Telecommunications Act of 1996, local telephone monopolies are rushing to meet the checklist required for their entry into the long distance market. Many LECs have concluded interconnection agreements with new wireline entrants (CLECs). In many cases, these agreements reflect a dramatic reduction in interconnection rates, although these new rates are still many times higher than the reported estimated costs for interconnection. Several states have endorsed these new LEC-CLEC interconnection rates, and under FCC policy, CMRS providers, as co-carriers, should be entitled to similar interconnection rates. Many other states have instituted or proposed bill and keep systems for CLECs. In neither case have the states applied these interconnection rate reductions or bill and keep arrangements to CMRS carriers. Indeed, certain states, such as Connecticut and New York, have informed wireless carriers that they must submit themselves to state authority over CMRS pricing and entry, the very authority stripped away by the OBRA, as the *quid pro quo* for receiving admission to the local telecommunications market at interconnection rates equal to those granted to CLECs.

Mayor Barry's veto and the back-door assertion of other states' authority over CMRS are ample proof that the FCC must not cede to state control the matter of interconnection with local telephone monopolies and related compensation arrangements. A uniform, national regulatory policy that is immune to the vagaries of local politics (and the brute force of a local monopoly) is the prudent and best way to ensure the growth of local telecommunications competition. I urge you to exercise the preemptive authority Congress saw fit to give you by adopting the CMRS-LEC interconnection proposal the Commission made in December.

Current interconnection rates are an absolute bar to our competing head-to-head with Bell Atlantic for local service. Adoption of your proposal would remove that. In addition, it would have the great benefit of allowing us to reduce our customers' bills by about 10% immediately. Across the entire wireless industry that customer rate reduction could total about \$1 billion annually.

Mr. Chairman, APC has invested a great deal of money to obtain its PCS license and construct its network to compete for a share of the local telecommunications market. I believe that you and your fellow Commissioners share APC's competitive goal. It is now time to adopt an interconnection policy, as you proposed last December, that will make that goal achievable.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "W. Scott Schelle", written in a cursive style.

W. Scott Schelle
Chief Executive Officer